

House Republican Press Release

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Representative Hovey To Oppose Democrat Tax Hikes, Spending Plan



Because tax increases approved last week by the Democrat-controlled Finance Committee target many Monroe and Newtown families, penalize employers and threaten Connecticut's economic future, state Representative DebraLee Hovey, R-112th District, intends to oppose the package when it comes to the floor of the State House for a vote.

Representative Hovey said she also will cast a no vote on the 2005 - 2007 Democrat budget approved last week by the General Assembly's Appropriations Committee, which would cost taxpayers about \$32 billion over the two-year life of the package. Their budget proposal would increase spending by 13 percent over two years and exceed the state's Constitutional Spending Cap by \$434 million during the first year of the biennial budget and by \$491 million in the second year.

"Connecticut is slowly recovering from an economic slump that lasted almost three years but, although the employment picture has improved over the past four quarters, we have yet to recover all the jobs that were lost in the aftermath of 9 / 11," Representative Hovey said. "The tax increases that were put in place to deal with projected deficits during those years aggravated our economic problems and prolonged them. While the low-tax states in the south and southwest are recovering from the downturn and creating jobs, Connecticut's economy continues to struggle."

"Raising income tax rates once again on the hard-working people of Monroe and Newtown – and on other overburdened taxpayers in Fairfield County and elsewhere in Connecticut – will mean people will have less to spend and will postpone the kinds of big purchases that stimulate economic growth," Representative Hovey said. "Increasing taxes on corporations will reduce their profit margins and leave them with fewer dollars to expand their operations and create new jobs. The Democrat tax and spending packages will hurt Connecticut families and needlessly jeopardize our economic future. Their budget and tax packages are irresponsible and will hurt the people of Connecticut. I cannot support them."

In addition to raising more than \$800 million from the income tax, the Democrat proposal calls for \$109 million in corporate taxes over two years. Their tax package would impose a surcharge on the corporate tax for the next three years at a rate of 10 percent the first year, and 15 percent in each of the following two years. Governor M. Jodi Rell had proposed phasing out the surcharge over a two-year period.